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August 3, 2010

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

RECORDATION NO. 29395 FILED

AUG 09 '10 -11 40 AM

SURFACE TRANSPORTATION BOARD

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AUG 9 2010
RECEIVED

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49.U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement and Lease Assignment, dated as of June 24, 2010, a primary document as defined in the Board's Rules for the Recordation of Documents.

We request that this document be cross-indexed.

The names and addresses of the parties to the enclosed document are:

Borrower/Mortgagor/
Lessor/Assignor

Rio Grande Chemical, Ltd.
901 Lindberg Avenue
McAllen, Texas 78501

Lender/Mortgagee/Assignee

San Antonio National Bank
45 N E Loop 410
San Antonio, TX 78216

A description of the railroad equipment covered by the enclosed document is seventy-five (75) 1995, Thrall built, 3000 cf. Capacity, AAR Type C112, covered hopper railcars numbered as follows: RGCX 310, RGCX 319, RGCX 325, RGCX 328, RGCX 332-336, RGCX 338-3340, RGCX 346, RGCX 349-351, RGCX 355-357, RGCX 361, RGCX 369-370, RGCX 375-376, RGCX 378, RGCX 380, RGCX 383, RGCX 386, RGCX 389, RGCX 394-395, RGCX 397, RGCX 400, RGCX 403, RGCX 407, RGCX 412-413, RGCX 421-422, RGCX 430, RGCX 437-438, RGCX 448-449, RGCX 452, RGCX 457, RGCX 462, RGCX 465-466, RGCX 472, RGCX 475, RGCX 478, RGCX 486, RGCX 491, RGCX 493, RGCX 496-499, RGCX 501, RGCX 512, RGCX 514, RGCX 517, RGCX 519, RGCX 522, RGCX 538, RGCX 541, RGCX 545, RGCX 551-552, RGCX 563, RGCX 565, RGCX 578, RGCX 584, RGCX 589.

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Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Please return a stamped copy of the enclosed document to the undersigned.

A short summary of the document to appear in the index is as follows: a memorandum giving notice of the granting by Rio Grande Chemical, Ltd., as Mortgagor/Assignor, to San Antonio National Bank, as Mortgagee/Assignee, of a security interest in the 75 railroad cars described above, and giving notice also of the assignment by Rio Grande Chemical, Ltd., to San Antonio National Bank of all right, title, and interest of Rio Grande Chemical, Ltd., under a lease of said railroad cars to Halliburton Energy Services, Inc., which became effective March 17, 2010.

Sincerely,



R. Harry Akin

RHA/cgb
encl.

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF SECURITY AGREEMENT
AND LEASE ASSIGNMENT**

dated as of June 24, 2010,

between

**RIO GRANDE CHEMICAL, LTD.,
a Texas limited partnership,
as Borrower**

and

**SAN ANTONIO NATIONAL BANK ,
as Lender**

**FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. §11301**

MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT

THIS MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT, dated as of June 24, 2010, by and between **RIO GRANDE CHEMICAL, LTD. ("Borrower")**, a Texas limited partnership, and **SAN ANTONIO NATIONAL BANK ("Lender")**:

1. Lender has made loan to Borrower pursuant to a Promissory Note and Loan Agreement. Payment of said loan is secured by a Security Agreement and an Assignment of Lease.

2. Pursuant to said Security Agreement and said Assignment of Lease, Borrower grants to Lender a security interest in and assignment of all Borrower's right, title and interest in, to and under (but none of its obligations with respect to) the following, whether now owned or hereafter acquired:

(i) seventy-five (75) 1995 Thrill built, 115-ton, AAR Car Type C112, 3000 c.f. capacity, 286 GWR, two pocket covered hopper railcars, as more particularly described on Exhibit "A" attached hereto and made a part hereof and all replacements and substitutions therefor and accessions thereto;

(ii) that certain Rider No. 8 To Railcar Net Leasing Agreement with an effective date of March 17, 2010 ("Rider 8") between Borrower, as Lessor, and Halliburton Energy Services, Inc., as Lessee, which Rider 8 is related to and incorporates the terms of the Railcar Net Leasing Agreement dated April 1, 2004, between Borrower and Halliburton Energy Services, Inc., together with any and all related exhibits, amendments, addenda instruments, guaranties, and other agreements related thereto (collectively, the "Lease");

(iii) any and all rent, casualty, indemnity and other payments due under the Lease and the related lease documents;

(iv) all of Borrower's rights and entitlements under the Lease and related lease documents, including, among other things, the right to receive notices and financial information, to give or withhold consents and waivers, to declare or waive any default and/or exercise all remedies thereunder and to take any and all other actions associated with the Lease;

(v) all related accounts, guaranties, collateral pledges, and supporting obligations;
and

(vi) all proceeds of the foregoing

(3) This Memorandum of Security Agreement and Lease Assignment may be executed in multiple counterparts, all of which taken together shall constitute one original agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement and Lease Assignment to be executed by its duly authorized officer or representative as of the date first above written.

**RIO GRANDE CHEMICAL, LTD.,
a Texas limited partnership**

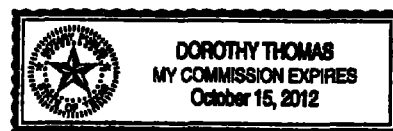
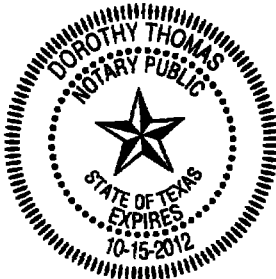
**By: RIO GRANDE CHEMICAL (GP), LLC,
a Texas limited liability company,
its general partner**

**By: Paul G. Veale, Jr.
PAUL G. VEALE, JR., Sole Manager**

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

I hereby certify that on this 24th day of June, 2010, before me, personally appeared **PAUL G. VEALE, JR.**, to me personally known, who, being by me duly sworn, acknowledged himself to be the **Sole Manager of RIO GRANDE CHEMICAL (GP), LLC., a Texas limited liability company, the general partner of RIO GRANDE CHEMICAL, LTD., a Texas limited partnership,** and acknowledged that he, as such **Sole Manager,** being authorized so to do, executed the instrument for the purposes therein contained by signing the name of **RIO GRANDE CHEMICAL (GP), LLC., a Texas limited liability company, as the general partner of RIO GRANDE CHEMICAL, LTD., a Texas limited partnership,** by himself as **Sole Manager.**

Dorothy Thomas
Notary Public, State of Texas



SAN ANTONIO NATIONAL BANK

BY: Pace Erbstoesser
Pace Erbstoesser
(Name typed or printed)
ITS: Senior Vice President

THE STATE OF TEXAS

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COUNTY OF HIDALGO

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I hereby certify that on this 24th day of June, 2010, before me, personally appeared Pace Erbstoesser, to me personally known, who, being by me duly sworn, acknowledged himself to be the Senior Vice President of SAN ANTONIO NATIONAL BANK, and acknowledged that he, as such Senior Vice President, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of SAN ANTONIO NATIONAL BANK by himself as Senior Vice President

Kay G. Hernandez
Notary Public, State of Texas

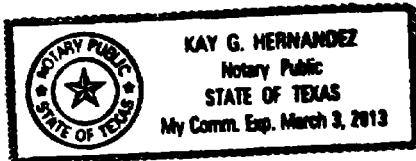


EXHIBIT A

Rio Grande Chemical, Ltd. Halliburton Rider 8 Cars*

[Seventy-five (75) 1995 Thrall built, 3000 cf capacity, AAR Type C112 covered hopper railcars (from Apasco C-17 lease)]

	Railcar Marks and Number	Equipment ID Number
1	RGCX 310	1607345
2	RGCX 319	1607354
3	RGCX 325	1607360
4	RGCX 328	1607363
5	RGCX 332	1607367
6	RGCX 333	1607368
7	RGCX 334	1607369
8	RGCX 335	1607370
9	RGCX 336	1607371
10	RGCX 338	1607373
11	RGCX 339	1607374
12	RGCX 340	1607375
13	RGCX 346	1607381
14	RGCX 349	1607384
15	RGCX 350	1607385
16	RGCX 351	1607386
17	RGCX 355	1607390
18	RGCX 356	1607391
19	RGCX 357	1607392
20	RGCX 361	1607396
21	RGCX 369	1607404
22	RGCX 370	1607405
23	RGCX 375	1607410
24	RGCX 376	1607411
25	RGCX 378	1607413
26	RGCX 380	1607415
27	RGCX 383	1607418
28	RGCX 386	1607421
29	RGCX 389	1607424
30	RGCX 394	1607429
31	RGCX 395	1607430
32	RGCX 397	1607432
33	RGCX 400	1607435
34	RGCX 403	1607438
35	RGCX 407	1607442
36	RGCX 412	1607447
37	RGCX 413	1607448
38	RGCX 421	1607456
39	RGCX 422	1607457
40	RGCX 430	1607465

	Railcar Marks and Number	Equipment ID Number
41	RGCX 437	1607472
42	RGCX 438	1607473
43	RGCX 448	1607483
44	RGCX 449	1607484
45	RGCX 452	1607487
46	RGCX 457	1607492
47	RGCX 462	1607497
48	RGCX 465	1607500
49	RGCX 466	1607501
50	RGCX 472	1607507
51	RGCX 475	1607510
52	RGCX 478	1607513
53	RGCX 486	1607521
54	RGCX 491	1607526
55	RGCX 493	1607528
56	RGCX 496	1607531
57	RGCX 497	1607532
58	RGCX 498	1607533
59	RGCX 499	1607534
60	RGCX 501	1607536
61	RGCX 512	1607547
62	RGCX 514	1607549
63	RGCX 517	1607552
64	RGCX 519	1607554
65	RGCX 522	1607557
66	RGCX 538	1607573
67	RGCX 541	1607576
68	RGCX 545	1607580
69	RGCX 551	1607586
70	RGCX 552	1607587
71	RGCX 563	1607598
72	RGCX 565	1607600
73	RGCX 578	1607613
74	RGCX 584	1607619
75	RGCX 589	1607624

June 7, 2010

* subject to substitution until final delivery